

MINUTES

MONTANA SENATE 59th LEGISLATURE - REGULAR SESSION

COMMITTEE ON FINANCE AND CLAIMS

Call to Order: By **CHAIRMAN MIKE COONEY**, on February 9, 2005 at 5:00 P.M., in Room 317 Capitol.

ROLL CALL

Members Present:

Sen. Mike Cooney, Chairman (D)
Sen. Keith Bales (R)
Sen. Gregory D. Barkus (R)
Sen. John Brueggeman (R)
Sen. John Cobb (R)
Sen. John Esp (R)
Sen. Steven Gallus (D)
Sen. Ken (Kim) Hansen (D)
Sen. Bob Hawks (D)
Sen. Bob Keenan (R)
Sen. Rick Laible (R)
Sen. Lane L. Larson (D)
Sen. Greg Lind (D)
Sen. Don Ryan (D)
Sen. Trudi Schmidt (D)
Sen. Corey Stapleton (R)
Sen. Dan Weinberg (D)
Sen. Carol Williams (D)

Members Excused:

Sen. Jon Tester (D)

Members Absent: None.

Staff Present: Prudence Gildroy, Committee Secretary
Taryn Purdy, Legislative Branch

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: SB 228, 2/4/2005; SB 5, 2/4/2005;
SB 108, 2/4/2005; SB 233, 2/4/2005;
SB 41, 2/4/2005
Executive Action: SB 41; SB 108; SB 233; SB 288; SB
5; SB 126

CHAIRMAN MIKE COONEY noted a number of bills with state special revenue were referred back to the committee after second reading because of the spending cap issue. The House Appropriations Committee will consider the bills after passage in the Senate.

CHAIRMAN COONEY asked **SEN. CORY STAPLETON** to chair.

HEARING ON SB 288

{Tape: 1; Side: A; Approx. Time Counter: 2.9}

Opening Statement by Sponsor:

SEN. MIKE COONEY (D), SD 40, Helena, opened the hearing on **SB 288**, Clarify use of INTERCAP loans.

SEN. COONEY explained during a recent audit of the Board of Investments, the auditors discovered some issues with INTERCAP loans and how they had been used over time. SB 240 was passed on a 2/3 vote and SB 288 accompanies that bill. SB 288 puts parameters on how intercap loans are used and provides clarification.

Proponents' Testimony:

Carroll South, Board of Investments, advised the audit said the Legislature and the Board of Investments should reconsider the appropriate use of the INTERCAP loan program and that is what this bill does. Some current INTERCAP loans should be considered state debt because the method of repayment is revenue derived from the state's taxing power. That was addressed in SB 240. SB 288 clarifies how state agencies may use the INTERCAP loan program going forward. The first type of loan will require a simple majority vote. The State Motor Pool has a \$10 million line of credit, which is the only funding source they have to buy and replace vehicles. That is not considered state debt because the Legislature sets the rate the Motor Pool can charge but do not require anybody to use the car. Loans to the University System are almost all repaid by student fees, which the Board of Regents control. The second type of loan is a loan made to a state agency and the repayment source is a fee or tax imposed by the Legislature or a general fund appropriation. That type of loan will need a 2/3 vote in order to be valid. During the drafting of bills, **Greg Petesch, Legislative Counsel,** will determine the payback source for a loan and which will require a 2/3 vote.

Opponents' Testimony: None.

Informational Testimony: None.

Questions from Committee Members and Responses: None.

Closing by Sponsor:

SEN. COONEY closed on the bill.

HEARING ON SB 5

{Tape: 1; Side: A; Approx. Time Counter: 9.8 - 30}

Opening Statement by Sponsor:

SEN. KEN (KIM) HANSEN (D), SD 17, Harlem, opened the hearing on SB 5, Revise laws governing real estate appraisers.

SEN. HANSEN said the bill deals with a provisional license for appraisers. He claimed there were individuals being locked out of the appraiser business. The bill was heard in the Business and Labor Committee, and was passed on second reading on the Senate floor. He believed the fiscal note was exaggerated and wished he had not signed it. He wanted to make it easier for people to get into the profession. He cited the lack of mentors and the 100 mile radius requirement as issues. He mentioned that state of Texas has provisional licenses. He thought that opponents have a fear of a turf war.

Proponents' Testimony: None.

Opponents' Testimony:

Jim Brown, Department of Labor and Industry, advised the Board of Real Estate Appraisers is in the Standards Division. The Board voted to oppose the bill.

Tim Moore, Board of Real Estate Appraisers, represented the unanimous opposition of the Board to the bill. He noted the Board did not send out any requests to anybody regarding opposition to this bill. Letters to Legislators were written from professional associations and concerned appraisers. He read from written testimony.

EXHIBIT (fcs32a01)

SEN. DON RYAN asked how many licensed appraisers were or had been employed by the Department of Revenue. Mr. Moore indicated he did not know.

Jerry Mitchke, Real Estate Appraiser, rose in opposition to the bill. He advised Texas and Connecticut are the only states with a provisional license. He is the education chairperson for the Appraisal Institute in Montana and contended appraiser education includes 2000 hours of experience in order to get a license. It is necessary education but not sufficient. He thought the fiscal note was understated because the state administrators or the Board would be mentors to provisional licensees in order to maintain quality control.

Dennis Haeger, Bozeman, held that SB 5 goes against the original intent of the original licensing and certification legislation. That legislation was enacted to protect the public from poor quality appraisal practice. SB 5 would unleash appraisers that are not properly educated and mentored. He disagreed that it was necessary to be born into or married into the business. He said it was difficult 30 years ago when he entered the profession. He left the state for four years to get his experience and education before coming back to Montana to start his own business. He acknowledged it is a difficult business to get into but denied there is a problem.

Keith O' Reilly, Bridger Appraisals, opposed the bill. He thought it undermines the integrity of the profession and the quality of work that is turned out. He thought apprenticeship was most important to education. He did not believe there was a shortage of mentors. He compared the provisional appraiser license to an electrician that had just read the book and passed the test.

Mike Joki, Joki and Associates, stressed the importance of the apprenticeship program to keep the integrity of the business. He presented written testimony.

EXHIBIT (fcs32a02)

Joe Moore, Certified General Appraiser, opposed the bill on behalf of the National Association of Independent Fee Appraisers, Montana Chapter. He said the bill is an end run around some of the Board's rules. In their opinion, the Board's rules aid applicants to become licensed. Not every appraiser is a good mentor. The rules adopted by the Board are designed to give direction to trainees and mentors. Allowing unsupervised trainees does not protect the public trust. The state of Montana issues bonds for low-income and first-time home buyers. He did not think those funds should be expended on the basis of an unsupervised trainee's appraisal.

{Tape: 1; Side: B}

Craig Olson, Montana Chapter Appraisal Institute, stated absolute opposition to the bill. State licensing and certification were the result of the savings and loan scandal. The purpose was to insure quality control in this profession. The bill completely undermines that control.

Glenn Oppel, Montana Association of Realtors, rose in opposition to the bill.

Informational Testimony: None.

Questions from Committee Members and Responses:

SEN. TRUDY SCHMIDT noted the bill passed out of committee 11-0 and 45-5 on the Senate floor. She inquired what was going on.

SEN. HANSEN stated it is a turf war. People that cannot find a mentor within the 100 mile radius are being shut out of the profession. Another problem is not every appraiser can be a mentor. They are scrutinized by the Board as to whether they are competent or not. Others may have let their license lapse and are shut out when they cannot find a mentor. He said it was not true this was against federal regulations.

SEN. LANE LARSON asked **Mr. Moore** about the 100-mile radius. He said there are places in his district, in eastern Montana, where it is not possible to find a mentor. **Mr. Moore** advised the Board currently has a rule that says a trainee must practice within 100 miles of his mentor's home office. Since the inception of this rule in July, that has become a problem. During the rule-making hearings the commercial issue was addressed, but not the residential realm. They will revisit the 100-mile issue at the Board's March 8 meeting, and it was his intent to replace that wording. Often, in the rule-making or bill-writing process, things get worded in a way that becomes onerous later on. Whether or not this bill passes, the Board will address that issue, according to **Mr. Moore**. **SEN. LARSON** asked if **Mr. Moore** agreed it may necessary to leave the state in order to get trained. **Mr. Moore** did not think that was typical. He knew of several people who left the state, but in those instances there was a relative who was willing to mentor. **SEN. LARSON** commented that if an untrained or unlicensed electrician wires a house, someone could die or it could burn down. A bad appraisal would probably cost more money. **SEN. LARSON** said that was not comparing apples to apples. **Mr. Moore** said it depends on how much money you are talking about.

SEN. DAN WEINBERG believed the votes in the Senate were in reaction to heavy-handed practices by the Board. He wondered what it would take for the Board to review some of those

practices and come forward with something reasonable. **Mr. Moore** said the two major issues regarding the bill were the 100-mile radius and the number of trainees under a mentor and would be addressed. He did not think the Board intentionally engaged in heavy-handed practices. The Board is charged with protecting the public. The Board did not think this was as large a problem as had been portrayed.

SEN. RICK LAIBLE asked how many apprentices in the state. **Mr. Moore** responded there are 469 licensed appraisers in the state. Of those, 41 are currently trainees. **SEN. LAIBLE** asked why an appraiser would want to train someone who would potentially be a competitor. **Mr. Moore** said it was no different than other professions or industries. He hired a trainee because his workload became such that he couldn't handle it any more. Supply and demand controls how many appraisers there are, according to **Mr. Moore**. Currently, appraisals can be done in most major cities in the state in two days or less.

SEN. LAIBLE asked **SEN. HANSEN** if there were any other rule changes that impacted this industry. **SEN. HANSEN** replied not everyone can be a mentor. Just because they are licensed to be an appraiser, does not mean they are in good standing with the Board. **SEN. LAIBLE** asked why they would not be an appraiser in good standing with the Board. **SEN. HANSEN** indicated it involved grammar in their reporting.

SEN. CAROL WILLIAMS said she did not hear this bill in committee the first time and guessed there were proponents. **SEN. HANSEN** indicated there were two people from the Great Falls area. Two others had taken a course in Harlem did not want to participate because they did not want to be on the black list of the Board. One of the proponents from Great Falls was an attorney and the other had gone through the course and could not find a mentor in Great Falls. He will sue even if the hundred-mile radius is changed, and he will win.

SEN. SCHMIDT asked **SEN. HANSEN** if there were opponents at the original hearing. **SEN. HANSEN** said the Board was there and a number of opponents here tonight. There were more opponents tonight.

SEN. BOB HAWKS asked **Mr. Moore** to clarify the qualifications for a mentor appraiser. **Mr. Moore** advised they have to be a certified appraiser. There are rules that prohibit licensed appraisers from being mentors. There are 40 licensed appraisers in the state and the other 400 are residential certified or general certified appraisers. To be a mentor, an appraiser has to send in two samples of their work product to the Board.

Licensing and certification have been in effect for about 12 years and a number of people were grand-fathered in. Since that time, the Board has had no interaction with many of those people. They have no way of tracking whether or not a mentor is actually qualified and doing their reports in accordance with all the requirements.

SEN. SCHMIDT asked **SEN. HANSEN** if he tried to negotiate this before bringing the bill to the Legislature. **SEN. HANSEN** said he talked to the Board last summer and was primarily dealing with the 100-mile radius at that time. The Board was not willing to change the rule. He asked **SEN. DAVE LEWIS** to address some of the questions.

SEN. SCHMIDT asked **SEN. LEWIS** if he had anything to add. **SEN. LEWIS** advised in the Business and Labor Committee, **SEN. VICKI COCCHIARELLA** assigned him and **SEN. SCHMIDT** to meet with the Board. The Board chair met with them and said they would take a look at the 100-mile limit at their March 6 Board meeting. The other issue was about an appraiser taking on more than two trainees and the Board was not quite as enthusiastic. They reported back to the committee and had long executive sessions on the bill. They moved the bill with the understanding that the Board would be meeting later and there could be some modifications in the rules that might address some of the concerns. The majority of the committee thought they were better off to move the bill along and once it went to the House the Board would have had a chance to meet and they could take another look at what might be needed. There was strong discussion on tabling the bill and there was a close vote at one point and finally the 11-0 vote to move the law and make sure there was some progress made at the Board meeting.

Closing by Sponsor:

SEN. HANSEN closed on the bill. He hoped this could be sent back to the Senate.

HEARING ON SB 108

{Tape: 1; Side: B; Approx. Time Counter: 23.5 - 30}

Opening Statement by Sponsor:

SEN. DAVE LEWIS (R), SD 42, Helena, opened the hearing on **SB 108**, Revise laws governing independent contractors.

SEN. LEWIS advised the bill was debated excessively on the floor. It was the result of work done by an interim committee to come up

with a fix due to a Supreme Court decision that threw out the independent contractor provision. The fiscal note reflects the fact that the Department has the authority to set up an audit program to follow up on the certification process. The audit process is critical to making sure this works. Addressing the cap issue, **SEN. LEWIS** stated the bill is effective on passage and approval. A fairly large portion of this could be placed into a supplemental with language allowing any excess spending authority be carried forward into the subsequent biennium. He did not think that lowering the numbers was realistic in order to do the job of developing and administering a credible independent contractor certification process. He indicated there was a new fiscal note with a minor change in the assumptions.

Proponents' Testimony:

Jerry Keck, Department of Labor, reported the Department was charged with convening a subcommittee to deal with the independent contractor issues. The committee met for five day-long meetings with sixteen representatives from the various stakeholders in the independent contractor issue. The bill is the result of the consensus of that whole group. The fiscal note is a reflection of what that group believed was necessary to implement their proposals in the bill and to have a credible enforcement program that could withstand scrutiny of another legal challenge to the Montana Supreme Court. There were six new FTE's in the bill including one additional staff person in the Helena office to do the increased documentary review prior to issuing an independent contractor exemption. There would be five auditors in the field. The second piece of the bill was the need for a proactive and visible education program. **SEN. STAPLETON** asked if there was significant variation between the new fiscal note and the one the committee had. **Mr. Keck** indicated the difference in the fiscal note is the budget analyst looked at the number of 812,000 and made the assumption the fee could be less than \$100. The group favored a fee of \$125 because the current cost of the independent contractor program is \$360,000. With the added cost, it is slightly more than \$1.2 million. This assumes 10,000 applicants. The final piece was a web-based application and database system of those currently certified. That would be a one-time only appropriation for the biennium.

{Tape: 2; Side: A}

Dave Cogley, Cogley, Building Contractor, testified he served on the committee. He stated he has held the independent contractor exemption since he started building in 1979. When the certification was passed in 1983, he obtained a certificate at that time. He believed the exemption was very important. He

said he insures himself with a general, broader type of insurance coverage and to have another layer of work related coverage is not financially feasible. The exemption is also important to those who contract with him to do work. They need to know he is truly an independent contractor, and they don't have to worry about coverage for him as an employee. That was why the certification process was passed in 1983. Certainty for everybody involved is needed, he declared. When the Supreme Court decision tossed out the conclusive presumption part, that threw everything in limbo. This bill is intended to re-establish conclusive presumption, and it will cost money to have a credible certification process that the court will respect. He indicated he fully supports the fiscal note and the added cost. Compared to mandatory work comp, it's cheap.

Cary Hegreberg, Montana Contractors' Association, strongly supported the bill in it's current form. About thirty of their member companies have pulled together in a self-funded workers compensation trust. Because of the Supreme Court decision, these thirty companies have imposed upon themselves a mandate that every single person who shows up on every single one of their job sites as general contractors must have workers compensation insurance, regardless of whether or not they hold the Independent Contractor Certificate. They believe, as it now stands, they are too vulnerable to allow that kind of liability to occur on their job sites. **Mr. Hegreberg** held the two options were to have a legitimate, credible independent contractor exemption such as the one contemplated in this bill, or move to mandatory work comp for everyone. They see the bill as a compromise, but they understand there has to be a level of bureaucracy.

Informational Testimony: None.

Opponents' Testimony: None.

Questions from Committee Members and Responses: None.

Closing by Sponsor:

SEN. LEWIS closed on the bill.

HEARING ON SB 233

{Tape: 2; Side: A; Approx. Time Counter: 6 - 13.4}

Opening Statement by Sponsor:

SEN. FRANK SMITH, SD 16, POPLAR opened the hearing on SB 233, Lower Missouri River partners council for **SEN. SAM KITZENBERG, SD 18, Glasgow**.

SEN. SMITH advised the bill started out with an idea for one committee instead of three separate organizations. The bill was before the committee because the fiscal note had changed. He noted there was good support for the bill.

Proponents' Testimony:

Gary Amestoy, Richland County Economic Development Corporation, advised he was one of the original proponents of the bill. The lower Missouri River is the northern boundary of Richland County. They felt it was important to develop the council to aid communication, and asked support for the bill.

Opponents' Testimony: None.

Informational Testimony:

Rich Moy, Department of Natural Resources and Conservation, provided background information on the bill.

EXHIBIT (fcs32a03)

Questions from Committee Members and Responses: None

Closing by Sponsor:

SEN. SMITH closed on the bill. He pointed out that Fort Peck now has the largest boat ramp in the state.

HEARING ON SB 41

{Tape: 2; Side: A; Approx. Time Counter: 13.3 - 24.6}

Opening Statement by Sponsor:

SEN. BOB KEENAN (R), SD 5, Bigfork, opened the hearing on **SB 41**, Medicaid redesign: funding principles.

SEN. KEENAN advised SB 41 was re-referred because of the concerns of **SEN. SCHMIDT, SEN HAWKS**, and **SEN. GILLAN**. He reported difficulty with getting people's attention and understanding of the importance of this bill. He thought they should not only be looking at the principles for reductions in services due to a lack of general fund money for human service

programs but also apply those same principles for increases in revenue expenditures, restoration of programs, etc. He presented an amendment.

EXHIBIT(fcs32a04)

Proponents' Testimony:

John Chappuis, Department of Public Health and Human Services (DPHHS), explained that the amendment further clarifies the bill.

Pat Melby, Montana Medical Association, indicated he missed the first hearing, and wanted to support the bill. He said if he wasn't here on behalf of the Association, he would have appeared on his own. He was once the Director of Social and Rehabilitation Services, the predecessor to DPHHS, and had the responsibility for the Medicaid program. In 1977, against the advice of the department, the Legislature underfunded the Medicaid program. For about a year, he had a running battle with the Legislative Finance Committee and the Legislative Fiscal Analyst regarding what was to be cut in the Medicaid program in order to stay within the budget. He said he would have loved some guidance from the Legislature on how to make those cuts. He thought SB 41 was a great step toward providing guidance to the Executive Branch as the availability of funds may fluctuate.

Opponents' Testimony: None.

Informational Testimony: None.

Questions from Committee Members and Responses:

CHAIRMAN COONEY asked **SEN. KEENAN** if a subcommittee was still necessary with the proposed amendments. **SEN. KEENAN** said he brought the bill back after **SEN. HAWKS** and **SEN. SCHMIDT** expressed concerns on second reading. He talked about those concerns with **Mr. Chappuis**. **SEN. SCHMIDT** had expressed concern that there were thirty people working on Medicaid redesign and now the bill was being changed. **Mr. Chappuis** had indicated this change was similar to what **SEN. JOHN ESP** had suggested.

SEN. HAWKS thanked **SEN. KEENAN** for clarifying the language, and said he was comfortable with the change.

SEN. SCHMIDT asked **Mr. Melby** about increases. **Mr. Melby** clarified he had addressed decreasing or augmenting the programs depending on the fluctuation of available money. **SEN. SCHMIDT** asked **Mr. Chappuis** to comment. **Mr. Chappuis** thought this

followed the intent of the committee and provided clarification. He thought it would make it easier, should circumstances occur again, to prioritize in the future.

Closing by Sponsor:

SEN. KEENAN did not think this bill would hamstring the creativity of the subcommittee. He advised the bill is the Legislature's bill.

SEN. STAPLETON relinquished the chair to **CHAIRMAN COONEY**.

EXECUTIVE ACTION ON SB 41

{Tape: 2; Side: A; Approx. Time Counter: 25.3 - 26.7}

Motion: **SEN. LAIBLE** moved that SB 41 DO PASS.

Motion: **SEN. COBB** moved that the AMENDMENT BE ADOPTED.

SEN. KEENAN noted these amendments were drafted by DPHHS at his request and would need editing and proofing. He said any changes would not be substantial and would be incorporated into the bill for second reading.

Vote: Motion carried unanimously by voice vote.

Motion/Vote: **SEN. COBB** moved that SB 41 DO PASS AS AMENDED.

Motion carried unanimously by voice vote. **SEN. GALLUS**, **SEN. RYAN**, and **SEN. TESTER** voted aye by proxy.

EXECUTIVE ACTION ON SB 108

{Tape: 2; Side: A; Approx. Time Counter: 26.9 - 30.9}

Motion: **SEN. KEITH BALES** moved that SB 108 DO PASS.

Discussion:

SEN. GREG BARKUS said it was his understanding these bills were brought back to committee out of concern for the spending cap. **CHAIRMAN COONEY** advised they decided, after a conversation with **SEN. JOE BALLYEAT**, to send some of these bills across to the House. Those that survive will then be captured by the House Appropriations Committee. The House will send their bills to the Senate, and those that survive with special revenue or general fund, will be captured by the Senate Finance Committee. He said

he spoke to **SEN. KEENAN** about it, and it seemed to be a plan that would work well.

SEN. HAWKS advised there was testimony that the fiscal note might be understated. **CHAIRMAN COONEY** said a new fiscal note had been requested and signed by **SEN. LEWIS** and they would get a copy. The anticipated change would be the \$125 fee for the application.

Vote: Motion carried 17-2 by voice vote with **SEN. ESP** and **SEN. KEENAN** voting no. **SEN. GALLUS**, **SEN. RYAN**, and **SEN. TESTER** voted aye by proxy.

EXECUTIVE ACTION ON SB 233

{Tape: 2; Side: A; Approx. Time Counter: 31.0 - 31.7}

Motion/Vote: **SEN. WILLIAMS** moved that SB 233 DO PASS. Motion carried 18-1 by voice vote with **SEN. ESP** voting no. **SEN. GALLUS**, **SEN. RYAN**, and **SEN. TESTER** voted aye by proxy.

EXECUTIVE ACTION ON SB 288

{Tape: 2; Side: A; Approx. Time Counter: 31.8}

Motion: **SEN. KEENAN** moved that SB 288 DO PASS.

Discussion:

SEN. BARKUS inquired about a fiscal note.

{Tape: 2; Side: B}

CHAIRMAN COONEY advised there is no fiscal note. The bill puts parameters on how INTERCAP loans can be used as the result of an audit.

Vote: Motion carried unanimously by voice vote. **SEN. GALLUS**, **SEN. RYAN**, and **SEN. TESTER** voted aye by proxy.

EXECUTIVE ACTION ON SB 5

{Tape: 2; Side: B; Approx. Time Counter: 0.5 - 13.7}

Motion: **SEN. COBB** moved that SB 5 DO PASS.

Discussion:

SEN. WEINBERG thought this was a huge reaction to something and was not good policy. He asked if the idea was to fire a shot across the bow and something will change before this becomes law.

SEN. HANSEN agreed this was a shot across the bow. He hoped the Board heard this committee and heard the discussion on the Senate floor. When he talked to them on the phone last summer, the answer was no. He hoped that everyone would vote their conscience.

SEN. LIND asked for guidance whether they were to make a decision on the fiscal note or the merit of the bill. **CHAIRMAN COONEY** indicated the bill was brought down because they were gathering state special revenue bills. They have since decided to move some of them along. When a bill is brought down here, it is typically brought down for financial issues but this committee can address other issues of the bill. The bill will go back to second reading in the Senate for another debate.

SEN. ESP commented one of the people he admired the most was Ronald Reagan who, in his dealings with the Soviets, said trust, but verify. He stated support for the bill. He didn't think it would be heard in the House until after the Board meets.

SEN. BARKUS spoke against the bill. He declared he works in a highly regulated industry. In order to get certified, tested, and trained, they sometimes have to travel thousands of miles and wait six months. He knew the damage that could be done by a bad broker in his business, and he knew the damage that could be done by a bad appraiser in the appraising business. He didn't think it was good state policy, just because there is a distance problem, to overlook the law, testing procedures, etc.

SEN. LAIBLE expressed frustration with the rule-making authority. Many times there is a cost to the citizens of the state. He thought the goal of the Legislature is to hold Boards to a standard of fairness and equity. He thought the bill provides the Board an opportunity to meet the Legislature's expectation and change those rules that caused a problem. He thought it would be a disservice to this state not to pass this bill and send that message.

SEN. HAWKS advised he initially voted to support this bill. He thought they had the Board's attention and did not think the bill is good policy. He had heard from constituents and could not vote for a policy that probably is not right in the long term.

SEN. LIND expressed his opposition to the bill. He thought it is the wrong solution to the problem. He said he would vote to get

this back on the Senate floor, where he hoped it would be defeated.

SEN. WEINBERG said he did not have enough experience with the House to know that they would do the right thing. He wanted the Senate to do the right thing. He felt strongly that apprenticeships and internships were more valuable than the education that preceded them. He said he would vote no. He thought they had the attention of the Board and hoped the Board would also do the right thing.

Vote: Motion carried 15-4 by roll call vote with **SEN. BARKUS**, **SEN. GALLUS**, **SEN. HAWKS**, and **SEN. WEINBERG** voting no. **SEN. RYAN**, and **SEN. TESTER** voted aye by proxy. **SEN. GALLUS** voted no by proxy.

EXECUTIVE ACTION ON SB 126

{Tape: 2; Side: B; Approx. Time Counter: 14.2 - 19.2}

Motion: **SEN. BRUEGGEMAN** moved that SB 126 DO PASS.

SEN. BRUEGGEMAN advised there were amendments.

[**EXHIBIT**\(fcs32a05\)](#)

[**EXHIBIT**\(fcs32a06\)](#)

SEN. HAWKS said in the Natural Resource Committee, they came across the implications of this bill with regard to meeting the requirements of the Coast Guard. People who were patrolling testified two stickers were needed to more easily identify boats. **SEN. BRUEGGEMAN** believed a decal was required on both sides.

Motion/Vote: **SEN. BRUEGGEMAN** moved that SB12601.ATP BE ADOPTED. Motion carried unanimously.

Motion: **SEN. BARKUS** moved that SB12602.ATP BE ADOPTED. **SEN. GALLUS**, **SEN. RYAN**, and **SEN. TESTER** voted aye by proxy.

SEN. BARKUS explained his concern was with the penalty. The amendment says there will be a fine not more than the cost incurred by the Justice Court and the Department will only give verbal or written warnings until December 31, 2007.

SEN. BRUEGGEMAN thought this was a good amendment and that **SEN. BARKUS** had a valid concern. He wanted to keep this the least onerous to the public as possible.

Vote: Motion carried unanimously by voice vote. SEN. GALLUS, SEN. RYAN, and SEN. TESTER voted aye by proxy.

Motion/Vote: SEN. BRUEGGEMAN moved that SB 126 DO PASS AS AMENDED. Motion carried unanimously by voice vote. SEN. GALLUS, SEN. RYAN, and SEN. TESTER voted aye by proxy.

SEN. LIABLE inquired about the status of his bills. CHAIRMAN COONEY advised he spoke with the Budget Director, who was working on amendments. SEN. LAIBLE indicated SB 28 does not have an amendment. His understanding was the amendment to SB 27 was done and but may not have been drafted. CHAIRMAN COONEY urged him to bring in the amendments and they could take action on the bills.

ADJOURNMENT

Adjournment: 6:50 P.M.

SEN. MIKE COONEY, Chairman

PRUDENCE GILDROY, Secretary

MC/pg

Additional Exhibits:

EXHIBIT ([fcs32aad0.TIF](#))